To the senate and house of representa-

The reports of the heads of the several executive departments, required by law to be submitted to me, which are here-with transmitted, and the reports of the secretary of the treasury and the attorney general made directly to congress, furnish a comprehensive view of the administra-tive work of the last fiscal year relating to internal affairs. It would be of great advantage if these reports could have an attentive perusal by every member of con-gress and by all who take an interest in public affairs. Such a perusal could not fall to excite a higher appreciation of the vast labor and conscientious efforts which are given to the conduct of our civil ad-

The reports will, I believe, show that every question has been approached, con-sidered and decided from the standpoint of public duty and upon considerations affecting the public interests alone. Again I invite to every branch of the service the attention and acruting of congress.

The work of the state department during the last year has been characterized by an unusual number of important negotiations and by diplomatic results of a notable and highly beneficial character. Among these are the reciprocal trade arrangements which have been concluded, the exercise of the powers conferred by section 3 of the tar ff law, with the repub-lic of Brazil, with Spain, for its West India possessions, and with San Domingo. Like negotiations with other countries tave been much advanced, and it is hoped that before the close of the year further definitive trade arrangements of great value will be concluded.

The Seading Difficulty.

In view of the reports which had been received as to the diminution of the seal herds in the Behring sea, I deemed it wise to propose to her majesty's government in February last that an agreement for a closed season should be made, pending the negotiations for arbitration, which then seemed to be approaching a favorable conclusion. After much correspondence and delays, for which this government was not responsible, an agreement was reached and signed on the 15th of June, by which Great Britain undertook from that date and until May 1, 1892, to prohibit the kill-ing by her subjects of seals in the Bearing sea, and the government of the United States during the same period to enforce its existing prohibition against pelagic sealing and to limit the catch by the fur seal company upon the islands to 7,500 akins. If this agreement could have been reached earlier, in response to the strenuous endeavors of this government, it would have been more effective, but coming as late as it did, it unquestionably resulted in greatly diminishing the destruction of the seals by the Canadian wealers.

In my last annual message I stated that the basis of arbitration proposed by Her Mujesty's government for the adjustment of the long-pending controversy as to the seal fisheries was not acceptable. I am glad now to be able to announce that terms satisfactory to this government have been agreed upon and that an agreement as to the arbitrators is all that is necessary to the completion of the cen-vention. In view of the advanced position which this government has taken upon the subject of international arbitration, this renewed expression of our adherence to this method for the settlement of disputes such as have arisen in the Behring sea, will I doubt not, meet with the concurrence of congress.

American Meats in Europe. The law of the last congress providing a system of inspection for our meats in-tended for export, and clothing the president with power to exclude foreign prolucts from our market in case the country sending them should perpetuate unjust discriminations against any product of the United States, placed this government in a position to effectively urge the removal such discriminations against our meats. It is gratifying to be able to state that Germany, Denmark, Italy, Austria and France, in the order named, have opened their ports to inspected American pork products. The removal of these restrictions in every instance was asked for and given solely upon the ground that we had now provided a meat inspection that should be accepted as adequate to the complete removal of the dangers, real or fancied, which had been previously urged. The state department, our ministers abroad, and the secretary of agriculture have co-operated with unflagging and intelligent zeal for the accomplishment of this great result. The outlines of an agreement have been reached with Germany looking to equitable trade concessions in consideration of the continued free importation of her sugars, but the time has not yet arrived when this correspondence can

be submitted to congress. The New Orleans Lynching. The lynching at New Orleans in March last of eleven men of Italian nativity by a mob of citizens was a most deplorable and discreditable incident. It did not however have its origin in any general animosity to the Italian people, nor in any disrespect to the government of Italy, with which relations were of the most friendly character. The fury of the mob was directed against these men as the supposed particlpants or accessories on the murder of a city officer. I do not allude to this as mitigating in any degree this offense against law and humanity, but only as affecting the international questions which grew out of it. It was once represented by the Italian minister that several of force. those whose lives had been taken by the mob were Italian subjects, and a demand was made for the punishment of the participants and for an indemnity to the familles of those who were killed. It is to be regretted that the manner in which these claims were presented was not such as to promote a calm discussion of the questions involved; but this may well be attributed to the excitement and indignation with which the crime naturally

doubted that a friendly conclusion is at-Some suggestions growing out of this unhappy incident are worthy the attention of congress. It would, I believe, be enrely competent for congress to make offenses against the treaty rights of foreigners domiciled in the United States cognizable in the federal courts. This bas not, however, been done, and the federal officers and courts have no power in such cases to intervene either for the protection of a foreign citizen or for the punish ment of his slayers. It seems to me to follow in this state of law that the officers of the state charged with the police and judicial powers in such cases must, in the consideration of national questions, grow-ing out of such incidents, be regarded in such sense as federal agents as to make this government answerable for their acts in cases where it would be answerable if the United States had used its constitu-tional power to define and punish crimes

evoked. The views of this government

as to its obligations to foreigners domi-

clied here were fully stated in the corre-

spondence, as well as its purpose to make

an investigation of the affair with a view

to determine whether there were present

lany circumstances that could under such

rules of duty as we had indicated, create

an obligation upon the United States.

The temporary absence of a minister pleni-

potentiary at this capital has retarded the

correspondence, but it is not

The Trouble With Chill. The civil war in Chili, which began in January last, was continued, but, fortu-nately with infrequent and not important armed collisions, until August 28th, when the Congressional forces landed near Valparaiso and, after a bloody engagement, captured that city. President Balmaceda at once recognised that his cause was lost.

against treaty rights.

and a provisional government was speedily established by the victorious party. Our minister was promptly directed to recognize and put himself in communication with this government so soon as it should have established its defacto character, which was done. During the pendency of this civil contest frequent indirect appeals were made to this govern-ment to extend belligerent rights to the insurgents and to give audience to their representatives. This was declined and that policy was pursued throughout, which this government, when wrenched by civil war, so strenuously insisted upon on the part of European nations. [Here follows an account of the Itata affair.]

During the progress of the war in Chili this government tendered its good offices to bring about a peaceful adjustment, and it was at one time hoped that a good re-sult might be reached; but in this we were disappointed. The collapse of the government of Balmaceds brought about a condition which is unfortunately too familiar in the history of the Central and South American States.

With the overthrow of the Balmaceda government, he and many of his councillors and afficers became at once fugitives for their l.yes and appealed to the commanding officers of the foreign naval vessels in the harbor of Valparaiso and to the resident foreign ministers at Santiago for asylum. This asylum was freely given, according to my information, by the naval vessels of several foreign powers and by several of his legations at Santingo. The American minister, as well as his colleagues acting under the impulses of humanity, extended asylum to pol tical refugees whose lives were in peril. I have not been willing to direct the surrender of such of these persons as are still in the American lega-tion without suitable conditions.

It is believed that the government of Chill is not in a position, in view of the precedents with which it has been connected, to broadly deny the right of asy ium, and the correspondence has not thus presented any such denial. The treatmen of our minister for a time was such to cal for a decided protest, and it was very observe that unfriendly gratifying to measures, which were undoubtedly the result of the prevailing excitement, were

at once rescinded or suitably relaxed. On the 16th of October an event occur red in Valparaiso so serious and tragic in its circumstances and results as to very ustly excite the indignation of our people and to call for prompt and decided action on the part of this government. A con-siderable number of the sailors of the S. S. Baltimore, then in the harbor of Valparaiso, being upon shore-leave and unarmed, were assaulted by armed men nearly simultaneously in different localities in the city. One petty officer was killed outright and seven or eight seamen were seriously wounded. So far as I have yet been able to learn no other explanation of this bloody work has been suggested than that it had its origin in bestility to those men as sailors of the United States wearing the uniform of their government and not in any individual act or personal animosity. The attention of the hilian government was at once called to his affair and a statement of the facts ob ained by the investigation we had con lucted was submitted, accompanied by s quest to be advised of any other or qualfying facts in the possession of the Chilian government that might tend to relieve this affair of the appearance of an insult to this government. The Chilian government was iso advised that if such qualifying facts lid not exist this government would confi lently expect full and prompt reparation It is to be regretted that the reply of the ecretary for foreign affairs of the provisional government was couched in an offensive tone. To this no response has been made. This government is now awaiting the result of an investigation which has been conducted by the criminal court at Valparaiso. It is reported unofficially that the investigation is about completed, and it is expected that the realt will soon be communicated

ecesasry The president then refers to the Caro ine Islands matter and at some length to the Spanish celebration of the four hundredth anniversary of the discovery of America; also to the boundary line quesion on the Mexican frontier.]

government, tegether with some adequate

and satisfactory response to the note by

this incident. If these just expectations

should be disappointed or further needless

delay intervenes, I will, by a special mes-

sage, bring this matter again to the atten-

tion of congress for such action as may be

The late outbreak against foreigners in various parts of the Chinese empire has been a cause of deep concern in view of the numerous establishments of our citi zens in the interior of that country. government can do no less than insist upon a continuance of the protective and punitory measures which the Chinese overnment has heretofore applied. No effort will be omitted to protect our citizens peaceably sojourning in China, but recent unofficial information indicates that what was at first regarded as an outbreak of mob violence against foreigners has assumed the larger form of an insurrection against public order.

The Chinese government has declined to eceive Mr. Blair as the minister of the Juited States on the ground that, as a participant while a senator in the enactnent of the existing legislation against the ntroduction of Chinese laborers, he has ecome unfriendly and objectionable to China. I have felt constrained to point out to the Chinese government the untenableness of this position, which seems to rest as much on the acceptability of our egislation as on that of the person chosen, and which, if admitted, would practically debar the selection of any representative so long as the existing laws remain in

Other Foreign Relations. The arbitration treaty formulated by the International American conference lansed by reason of the failure to exchange ratifications fully within the limit of time provided; but several of the governments concerned have expressed a esire to save this important result of the conference by an extension of the period is, in my judgment, incumbent upon the United States to conserve the influential initiative it has taken in this measure by ratifying the instrument and by advo the proposed extension of the time for excuange. These views have been made known to the other signa-

This government has found occasion to express, in a friendly spirit, but with much earnestness, to the government of the ezar, its serious concern because of the harsh measures now being enforced against the Hebrews in Russia. By the revival of anti-Semitic laws, long in abeyance, great numbers of those unfortunate people have been constrained to abandon their homes and leave the empire by reason of the impossibility of finding subsistance within the paie to which it is sought to confine them. The immigration of these people to the United States —many other countries being closed to them is largely increasing and is likely to assume proportions which make it diffi-cult to find homes and employment for them here and to seriously affect the labor It is estimated that over one million will be forced from Russia within a few years. The Hebrew is never a beggar; he has always kept the law-life by often under severe and oppressive civil re-atrictions. It is also true that no race, sect or class has more fully cared for its own than the Hebrew race. But the audden transfer of such a multitude, under conditions that tend to strip them of their small accumulations and to depress their

energies and courage, is neither good for them nor for us. The banishment, whether by direct decree or by not less certain indirect methods, of so large a number of men and wenen is not a local question. A decree to leave one country is, in the nature of things, an order to enter another—some other. This consideration as well as the

ground for the remonstrances which we have presented to Russia, while our historic friendship for that government cannot fail to give the assurance that our representations are those of a sincere well

Surveys for the connecting links of the projected inter-continental railway are in progress, not only in Mexico, but at various points along the course mapped Three surveying parties are now in the field under the direction of the commission. Nearly 1,000 miles of the proposed road have been surveyed, including the most difficult part, that through Equador, and the Southern part of Columbia. The reports of the engineers are very satisfacry and show that no insurmountable obstacles have been met with.

The death of King Kalikua in the United States, afforded occasion to testify our friendship for Hawaii by conveying the king's body to his own land in a naval vessel with all due honors. The government of his successor, Queen Lilioukalans, is seeking to promote closer commercial relations with the United States. Surveys for the much needed sub-marine cable from our Pacific coast to Honolulu are in progress, and this enterprise should have the suitable promotion of the two governments. I strongly recommend that provision be made for improving the harbor of Pearl River and equipping it as a naval

The Nicaraguan Canal. The annual report of the maritime canal company of Nicaragua shows that much costly and necessary preparatory work has been done during the year in the con-struction of shops, railroad tracks, and harbor piers and break-waters, and that the work of canal construction has made

some progress. I deem it to be a matter of the highest oncern to the United States that this canal, connecting the waters of the Atlantic and Pacific oceans and giving to us a short water communication between our ports upon those two great seas, should be speedily constructed and at the smallest practicable limit of cost. The gain in treights to the people and the direct sav ing to the government of the United States in the use of its naval vessels would pay the entire cost of this work within a short series of years. The report of the secretary of the navy shows the saving in our naval expenditures which would re-

The senator from Alabama, (Mr. Morgan) in his argument upon this subject be-fore the senate at the last session, did not overestimate the importance of this work voen he said that "The canal is the most important subject now connected with the commercial growth and progress of the United States." If this work is to be promoted by the usual financial methods and without the aid of this government, the expenditures, in its interest-bearing securities and stocks, will probably be

twice the actual cost. I dof not doubt that, built upon these business methods, the canal would, when fully inaugurated, earn its fixed charges and operating expenses. But if its bonds are to be marketed at heavy discounts and every bond sold is to be accompanied by a gift of stock, as has come to be expected investors in such enterprises, the traffic will be seriously burdened to pay interest and dividends. I am quite willing to recmmend government promotion in the prosecution of a work which, if no other neans offered for its completion, is of such transcendant interest that the governmen hould, in my opinion, secure it by direct appropriations from its treasury.

A guaranty of the bonds of the canal ompany to an amount necessary to the completion of the canal could, I think, be so given as not to involve any serious risk ultimate loss. The things to be carefully guarded are the completion of the work within the limits of the guaranty. by subrogation of the United States to the rights of the first mortgage bondholders for any amounts it may have to pay, and in the meantime a control of the mismanagement and less. I most sincerely none that neither party nor sectional lines will be drawn upon this great American project, so full of interest to the people of all our states and so influential in its effects upon the prestige prosperity of our common cou nd occupied solely by its employees. In September 1889, a revolt took place among these laborers, resulting in the killing of some of the agents of the company, caused as the laborers claimed, by cruel treat-(The president then gives the bistory of the case.] I recommend legislation that shall place labor contracts upon this and other slands giving the relation that Navassa has to the United States under the supervision of a court commissioner, and that shall provide, at the expense of he owners, an officer to reside upon the slands with power to judge and adjust disputes and to enforce a just and humane treatment of employees. It is inexcusable that American laborers should be left within our own jurisdiction without access to any government officer or tribunal for their protection and the redress of their

The Tar.ff Question. The general interest in the operations of the treasury department has been much augmented during the last year by reason f the conflicting predictions, wh ompanied and followed the tariff and ther legislation of the last congress afecting the revenues, as to the results of this legislation upon the treasury and upon the country. On the one hand it was intended that imports would so fall off as to leave the treasury bankrupt and that the prices of articles entering into the living of the people would be so enhanced as to disastrously affect their comfort and sappness, while on the other it was argued that the loss to the revenue largely the result of placing sugar on free list would gain to the people that the prices of the necessaries of ife, including those most highly protected would not be enhanced; that labor would have a larger market and the products of the farm advanced prices; while the treasury surplus and receipts would be adequate to meet the appropriations, including the large exceptional expenditures for the refunding to the states of the direct tax and the redemption of the 414 per cent

It is not my purpose to enter at any length into a discussion of the effects of the legislation to which I have referred: but a brief examination of the statistics of the treasury and a general glance at the state of business throughout the country, will I think, satisfy any impartial inquire that its results have disappointed the eviprophecies of its oppone is and in a large measure realized the hopeful predictions of its friends. Rarely, if ever before, in the history of the country has there a time when the proceeds of one day's labor or the product of one farmed acre would purchase so large an amount of things that enter into the living of the masses of the people. I believe that a full test will develop the fact that the tariff act of the Fifty-first congress is very favorable in its average effect upon the prices of articles entering into common use.

During the twelve months ending Octo ber 1, 1890, to September 30, 1891, the total value of our foreign commerce (imports and exports combined) was \$1,747,806,406, which was the largest of any year in the history of the United States. 'The largest in any previous year was in 1890, when our commerce amounted to \$1,647 139,098. and the last year exceeds this enormous aggregate by over one hundred millions. It is interesting, and to some will be surprising, to know that during the year ending September 30, 1891, our imports of merchandise amounted to \$334,715,270. which was an increase of more than eleven million dollars over the value of the ports of the corresponding months of the preceeding year, when the imports of merchandise were unusually large in anticipation of the tariff legislation then

things, an order to enter another—some other. This consideration as well as the suggestions of humanity, furnishes ample 1881, to 1890 was \$393,186 723 and during

the year ending September, 20, 1891, this annual average was exceeded by \$134.528,\$59. The value of free imports during the twelve months ending September 33, 1891, was \$118,092,387 more than the value of free imports during the corresponding twelve months of the preceding year, and there was during the same period a decrease of \$10,846,08 in the value of imports of dutiable merchandise. The percentage of merchandise admitted free of duty during the year to which I have duty during the year to which I have reference, the first under the new tariff, was 48.18, while during the preceding twelve months, under the old tariff, the percentage was 54.27, an increase of 13.91 per cent. If we take the six months ending September 30 last, which covers the time during which sugars have been admitted free of duty, the per cent of value of merchandise imported free of duty is found to be 55.37, which is a larger percentage of free imports than during any prior fiscal year in the history of the gov-

If we turn to exports of merchandise the statistics are full of gratification. The whole of such exports of merchandise for the twelve months ending September 30, 1891, was \$923,191,126, while for the corresponding previous twelve months it was \$860,177,115, an increase of \$62,914,0.1, which is nearly three times the average annual increase of exports of merchandise during any year in the history of the gov-ernment. The increase in the value of exports of agricultural products during the year referred to over the correspond-ing twelve months of the prior year, was \$45,846,197, while the increase in the value of exports of manufactured products was \$16,838,140.

There is certainly nothing in the condition of trade, foreign or domestic, there is certainly nothing in the condition of our people of any class to suggest that the exsting tariff and revenue legislation bears oppressively upon the people or retards he commercial development of the nation. It may be argued that our condition would be better if our tariff legislation were upon a free trade basis; but it cannot be denied that all the conditions of prosperity and of general contentment are present in a large legree than ever before in our history, and that, too, just when it was prophecied they would be in the worst state. Agitatation for radical changes in tariff and financial legislation cannot help but may seriously impede business, to the prosperity of which some degree of sta-

oility in legislation is essential I think there are conclusive evidences that the new tariff has created several great industries which will, within a few ears, give employment to several hundred thousand American men and women. In view of the somewhat overcrowded condition of the labor market of the United States, every patriotic citizen should rejoice at such a result.

Opposed to Free Colunge.

Under the law of July 14, 1890, the secretary of the treasury has purchased since August 13 during the fiscal year 48,393, 113 ounces of silver bullion at an average cost of \$1.04) per ounce. The highest price paid during the year was \$1.2026 and the lowest \$0.933. In exchange for this silver bullion there have been issued \$5... 7.403 of the treasury notes authorized by the act. The lowest price of silver reached during the fiscal year was \$0.9636 on April 23, 1891; but on Nov. 1, the market price as only \$.96, which would give to the diver dollar a bullion value of 74% cents. Before the influence of the prospective ilver legislation was felt in the market, silver was worth in New York about

\$0.9.5 per ounce. The ablest advocates of free coinage in the last congress were most confident in their prediction that the purchases by the government required by the law would at nce bring the price of silver to \$1 2929 per unce, which would make the bullion valu of a dollar it 0 cents and hold it there. The prophecies of the anti-sliver men of disisters to result from the coinage of \$2.0 0,-30 per month were not wider of friends of free silver are not agreed think, as to the causes that brought their opeiul predictions to naught. Some facts are known. The exports of silver from Lonion to India during the first nine months of the calendar year fall off 51 per cent, or \$17, 02,730, compared with the same months of the preceding year. The exports of domestic silver bullion from this country, which has averaged for the last ten years over \$17,000,000, fell in the last fiscal year to \$13,797 891; while, for the first time in recent years, the imports of silver into this country exceeded the ex-ports by the _um of {2,745,865. In the previous year the net exports of silver rom the United States amounted to

#8.545.455 The production of the United States in creased from 50,000,000 ounces in 1889 to 54,500 000 in 1890. The government is nov ouving and putting aside annually 54 0.10, 00 ounces, which, allowing 7,140,000 ounces of new bullion used in the arts, is 6.640, (0) more than our domestic product available

I hope the depression in the price of silver is temporary and that a further trial of this legislation will more favorably affect it. That the increased volume currency thus supplied for the use of the people was needed and that beneficial reults upon trade and prices have followed this legislation I think must be very clear to everyone; nor should it be forgotten hat for every dollar of these notes issued full dollar's worth of silver bullion is at the time deposited in the treasury as a security for its redemption. Upon this subject, as upon the tariff, my recommendation is that the existing laws be given a full trial and that our business nterests be spared the distressing influence which threats of radical changes

always impart. Under existing legislation it is in the ower of the treasury department to main ain that essential condition of national finance as well as commercial prosperitythe parity in use of the coin dollars and their paper representat ves. The assurance that these powers would be freely and unhesitatingly used has done much to produce and sustain the present favorable usiness conditions I am still of the opinion that the free coinage of silver under existing conditions would disastrously affect our business interests at home and abroad. We could not hope to maintain an equality in the power of the gold and silver dollar in our own markets, and in foreign trade the s amp gives no added value to the bullion contained in coins. The producers of the country, its farmers and laborers, have the highest interest that every dollar, paper or coin, issued by the government shall be as good as any other. If there is one less valuable than another its sure and constant errand vill be to pay them for their toll and for their crops. The money lender will protect himself by stipulating for payment in gold, but the laborer has never been able to do that. To place business upon a silver basis would mean a sudden and severe contraction of the currency, by the withdrawal of gold and gold notes, and such an unsettling of all values as would produce a commercial panie. I cannot believe that a people so strong and prosperous as ours will promote such a

The producers of silver are entitled to just consideration, but they should not forget that the government is now buying and putting out of the market what is the equivalent of the entire production of our silver mines. This is more than they themselves thought of asking two years ago. I believe it is the earnest desire of a great majority of the people, as it is mine, that a full coin use shall be made of silver just as soon as the co-operation of other nations can be secured and a ratio fixed that will give circulation equally to gold and

The business of the world divides the use of both metals, but I do not see any prospect of gain, but much of loss, by giving up the present system in which a full use is made of gold and a large use of silver, for one in which silver alone will

movement. Bi-metallism is the desired end, and the true iriends of silver will be careful not to overrun the goal and bring in silver monometalism, with its necessary attendants, the loss of our gold to Europe and the relief of the pressure there for a larger currency.

I have endeavored by the use of official

and unofficial agencies to keep a close observation of the state of public sentiment in Europe upon this question, and have not found it to be such as to justify me in proposing an international conference There is however, I am sure, a growing sentiment in Europe in favor of a large use of silver, and I know of no more of fectual way of promoting this sentiment than by accumulating gold here. A scarcity of gold in the European reserves will be the most persuasive argument for the use of silver. The exports of gold to Europe which began in February last allotments may be completed and the and continued until the close July, aggregated over seventy million of dollars. The net loss of gold during the fiscal year was nearly \$68,0 0,000. Tost no serious monetary disturbance resulted was most gratifying, and gave to Europe fresh evidence of the strength and stabili-ty of our financial institutions. With the movement of crops the outflow of gold was speedily stopped, and a return set in. Up to December 1 we had recovered of our gold loss at the port of New York \$27,854. 000, and it is confidentially believed that during the winter and spring this aggregate will be steadily and largely increased. The presence of a large cash surplus in the treasury has for many years been the subject of much unfavorable criticism and

has furnished an argument to those who have desired to place the tariff upon a purely revenue basis. It was agreed by all that the withdrawal from circulation of so large an amount of money was an embarassment to the business of the counry and made necessary the intervention f the department at frequent intervals to elieve threatened monetary panies. surplus on March 1, 1889, was \$183,827, 190.29. The policy of applying this sur plus to the redemption of the interest searing securities of the United States was thought to be preferable to that of depositing it without interest in selected national banks. There have been redeemed since the date last men-tioned of interest bearing securities \$259,079,850, resulting in a reduction of the annual interest charge of \$11.6-8,675. The money which ad been deposited in banks without interest has been gradually withdrawn and used in the redemption of bonds.

The result of this poncy of the silver egislation, and of the refunding of the 4 er cent bonds has been a large increas of the money in circulation. At the date ast named the circulation was \$1,404,20 ... 96, or \$23.03 per capita; while on the first lay of December, 1:91, it had increased to 577.2.2.070, or \$.4.38 per capits. The ffer of the secretary of the treasury to he holders of the 414 per cent bonds to xtend the time of redemption, at the op ion of the government, at an interest of er cent was accepted by the holders of bout one-half the amount, and the unexended bonds are being redeemed on pre-

The president then briefly discusses ariny and navy affairs, and makes recom-mendations in regard to the entrance of Chinese through the British possessions n America.]

Free Delivery of Mnil.

The attorney general and the commisioners of the district so thoroughly has his system, initiated by Germany and the United States, evidenced its userumess that it can not be long before it is installed upon all the great ocean mail carrying

Eight thousand miles of new posta cryice has been established upon rail oads, the car distribution to sub-stations in the great cities has been in-creased about 12 per cent while the percentage of errors in distribuhas, during the past year been educed over one-half. An appropaiation as given by the last congress for the pur ose of making some experiments in free clivery in the smaller cities and towns the results of these experiments have been so satisfactory that the postmaster general recommends, and I concur in the ecommendation, that the free delivery ystem be at once extended to towns of 000 population. His discussion of the adequate facilities extended under ou present system to rural communities, and als suggestion with a view to give these ommunities a fuller participation in th benefits of the postal service are worth of your careful consideration. It is not that the farmer eives his mail at the neighboring own should not only be compelled to send to the postoffice for it, but to pay considerable rent for a box in which to place it or wait his time at a general lelivery window, while the resident has his mail brought is door. It is stated that over 54,000 eighborhoods are, under the present sys em, receiving mail at postoffices where ioney orders and postal notes are ot issued. The extension of this system o these communities is especially desir ble, as the patrons of such offices are not ossessed of the other facilities offered in fore populous communities for the trans aission of small sums of money.

I have, in a message to the preceding ongress, expressed my views as to indified use of the telegraph in connection with the postal service.

The Interior Department.

The report of the secretary of the in terior shows that a very gratifying pro-gress has been made in all of the bureaus which make up that complex difficult de-The work in the bureau of Indian affairs was perhaps never starge as now by reason of the numerous negotiations which have been proceeding with the tribes for a reduction of the reservations, with the incident labor of making allotments, nd was never more carefully conducted The provision of adequate school scilities for Indian children and of adult locating upon farms, involve the solution of tue "Indian question." Everything elserations, annuities, and tribual negotiations with the agents, inspectors, and commissioners who distribute and conduct themmust pass away when the Indian has become a citizen, secure in the individual ownership of a farm from which he de rives his subsistence by his own labor, protected by and subordinate to the laws which govern the white man, and provided by the general government or by local communities in which he lives with the means of educating his children. When an Indian becomes a citizen in an organstate or territory his lation to the general government ceases, in a great measure, to be that of a vard; but the general government ought not at once to put upon the state or terri-tory the burden of the education of his [The president then discusses the Indian

government to the Sloux at some length. The relations of the five civilized tribes ow occupying the Indian territory to the United States, I believe, is not best calculated to promote the hadvancement of these Indians. there should be, within our ders five independent states, ing no relations except these growing out treaties with the government of the United States, no representation in the nation's legislature, its people not citizens, is a startling anomaly. It seems to me to be inevitable that there shall be before long some organic changes in relation to these people to the United States. What form these changes should take I do not think it desirable now to suggest, even if they were well defined in my own mind. The good work of reducing the Indian reservations by larger allotments in severalty to the Indians, circulate. Such an event would be at and the cession of the remaining lands to one fatal - be furth - r ress of silver the United States for disposition under

school question and the relations of the

the homestead law, ball during the year all success. In September to to open to settlement in a Okiahoma 900,000 acres chergy was one in the territory wh.ch was taken up by settlers in a single day. The rush for these lands was so companied by a great deal of excitement, but was, happily, free from incidents of

It was a source of great regret that I was not able to open at the same time the surplus lands of the Chevenne and Arapahoe reservations, amounting to about 3.0 0.000 acres, by reason of the insuf-ficiency of the appropriation for making the allotments. Deserving and impatient settlers are waiting to occupy these lands, and I urgently recommend that a special deficiency appropriation be promptly made allotments may be completed and the surplus lands opened in time to permit the settlers to get upon their homesteads in the early spring.

During the past summer the Cherokee commission has completed arrangements with the Wichita, K ckapoo and Tonkawa tribes whereby, if the agreements are ratified by congress, over 800,000 additional acres will be opened to settlement in

Oklahoma. The negotiation for the release by the Cherokees of their claim to the Cherokee strip has made no substantial progress, so far us the department is officially advised, but it is still hoped that the cession of this large and valuable tract may be secured. The price which the commission was authorized to offer-one dollar and a quarter per acre is, in my judge-ment, when all the circumstances as to the title and the character of the lands are considered, a fair and adequate one and should have been accepted by the In-

Pensions.

The administration of the pension bureau has been characterized during-the year by great diligence. The total number of pensioners upon the roll on the 30th day of June 1891, was 676, h.O. There were allowed during the fiscal year ending at that time 250,565 cases. Of this number 102,387 were allowed under the law of June 27, 1891. The issuing of certificates has been proceeding at the rate of 3,000 per month, about 75 per cent of these being cash under the new law. The dommissioner express the opinion that he will be able to carefully adjudicate and allow 350,000 claims during the present fiscal year. The appropriation for the payment of pensions for the fiscal year 1890, '91, was \$127,685,703.89 and the amount expended \$119,530,-649.20, leaving an unexpended surplus of 19.155, 44.04. The commissioner is quite ontident that there will be no call this year for a deficiency appropriation not-sithstanding the rapidity with which the ork is being pushed. The mistake which as been made by many in their exaggerated stimates of the cost of pensions is in not aking account of the diminished value of erst payments under the recent legisla-These payments, under the laws, have been for nany years very large, as the pensions, when allowed, dated from the time of fling the claim, and most of these claims had oeen pending for years. The first payments under the law of June 1893, are relatively small, and, as the per cent of these cases ncreases and that of the old cases diminshes the annual aggregate of first pay-ments is largely reduced. While these dispursements to the disabled soldiers of the great civil war are large they do not realize the exaggerated estimates of those who oppose this beneficent legislation. The secretary of the interior shows with reat fullness the care that is taken to exude fraudulent claims and also the gratiying fact that the persons to whom these ensions are going are men who rendered, not slight, but substantial war service.
[The report of the railroad commissioner is commented upon, and considerable

space is devoted to the matter of public lands. Polygamy is denounced.]

Department of Agriculture If the establishment of the department of agriculture as regarded by any one as a mere concession to the unenlightened demand of a worthy class of people that impression has been most effectually removed by the great results already attained. Its home influence has been very great in dissemisating agricultural and horticultural information; in stimulating and directing a juriber diversification of crops; in de-tecting and eradicating diseases of domestic animals; and more than all, in the lose and informal contact which it has established and maintains with the farmers nd stock raisers of the whole country.

For ten years protests and petitions upon this subject from the packers and stockraisers of the United States have been directed against these restrictions, which so seriously limited our markets and curtailed the profits of the is a source of general congratulation that success has at last been attained, for the effects of an enlarged foreign market for these meats will felt, not only by the farmer, out in our public finances and in particularly fortunate that the increased demand for food products resulting from the removal of the restrictions of our meats and from the reciprocal trade arangements to which I have referred should have come at a time when the agricultural surplus is so large. Without the help thus derived lower prices would have prevailed. ary of agriculture estimates that the restrictions upon the importation of our pork products into Europe fost us a market for \$2 ,000,000 worth of these products nnually.

The grain crop of this year was the largest in our history, 50 per cent greater han that of last year, and yet the market that has been opened and the larger demand esulting from short crops in Europe have sustained prices to such an extent that the enormous surplus of meats and breadstuffs will be marketed at good prices, bringing relief and prosperity to an industry that was much depressed. It is not inappropriate, I think, here to suggest that our satisfaction in the contemplation of this marvelous addition to the national wealth is unclouded by any suspicion of the currency by which it is measured and in which the farmer is paid for the product of his fields. [The president here endorses the work

of the civil service commission, and urges elegislation for the pro-tection of the lives of railroad employes, and then takes up the propos change in the manner of electing the presi This change he vigorously opposes on the ground that it would put the three departments of the government at the mercy of corrupt political methods. He declares the proposed change to be a menace to the stability of the government. He advises the appointment of a commission to consider the matter of the evils connected with the election system.]

To the consideration of these very grave questions I invite not only the attention of congress, but that of all patriotic citizens. We must not entertain the delusion that our people have ceased to regard a free ballot and equal representation as the price of their allegiance to laws and to civil magistrates.

I have been greatly rejoiced to notice many evidences of the increased unifica-tion of our people and of a revived na-The vista that now opens to tional spirit. s wider and more glorious ever before. Gratification than and amazement struggle for supre wealth and moral strength of our country. A trust, mamentous in its influence upon our people and upon the world is for a brief time committed to us and we must not be faithless to its first condition—the defense of the free and equal influence of the people in choice of public officers and in the control of public affairs.

BENJAMIN HARMISON. BENJAMIN HARRISON.

Executive Mansion, Dec. 9, 1891